

## Message Text

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12

ACTION EA-10

INFO OCT-01 ISO-00 AGR-05 CIAE-00 COME-00 EB-07 INR-05

LAB-04 NSAE-00 RSC-01 SP-02 STR-01 TRSE-00 CIEP-01

FRB-01 OMB-01 L-02 /041 W

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R 230859Z DEC 74

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 3780

C O N F I D E N T I A L TAIPEI 7534

E.O. 11652: GDS

TAGGS: ETRD, TW

SUBJECT: COTTON CONTRACT PROBLEM PROGRESS REPORT

PASS WILLIAMS FAS/USDA

REF: TAIPEI 7376

1. EMBASSY HAS RECEIVED DECEMBER 19 REPORT FROM BOARD OF FOREIGN TRADE (BOFT) ONQ PROGRESS IN OPENING L/C'S FOR OUTSTANDING CONTRACTED U.S. COTTON DURING FIRST HALF DECEMBER. REPORT INDICATES 10 MILLS OPENED L/C'S FOR TOTAL 4,750 BALES; SIX MILLS IN PROGRESS OPENING L/C'S FOR 8,000 BALES; FIVE MILLS HAVE REACHED AGREEMENT FOR POSTPONED SHIPMENT OF 3,400 BALES; EIGHT MILLS ARE NEGOTIATING FOR DELAY IN SHIPMENT OF 4,000 BALES; 10 MILLS HAVE NOT OPENED L/C'S BECAUSE OF QUALITY DISPUTES ON PREVIOUS SHIPMENTS AND NON-DELIVERY OF TEXTILE MACHINERY; THREE MILLS FINANCIALLY UNABLE OPEN L/C'S FOR 1,550 BALES.

2. EMBASSY TRANSLATION BOFT REPORT AIR POUCHED WILLIAMS FAS/USDA DECEMBER 23.

3. BELIEVE REPORT SHOWS SUBSTANTIAL PROGRESS IN MEETING COTTON CONTRACT PROBLEM, BUT STILL NOT CLEAR THAT ALL MILLS WILL BE ABLE TO HONOR THEIR CONTRACTS  
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FOR U.S. COTTON UNDER EXISTING PROGRAMS OF ASSISTANCE.

IN EFFORT FULLY RESOLVE COTTON CONTRACT PROBLEM, BOFT HAS INFORMALLY REQUESTED USG FINANCIAL ASSISTANCE TO PERMIT MILLS REMAIN SOLVENT WHILE HONORING CONTRACTS IN UPPER PRICE RANGE FOR CONTRACTED U.S. COTTON. THIS REQUEST TRANSMITTED SEPTEL.

4. NON-DELIVERY OF MACHINERY BY WHITIN MACHINE WORKS, INC., AGAIN CITED AS REASON FOR NOT OPENING L/C'S BY SIX TEXTILE MILLS. DETAILS THIS MATTER TRANSMITTED AS ATTACHMENT BOFT DECEMBER 2 REPORT. APPRECIATE YOUR INVESTIGATION THESE ALLEGATIONS AND REPORT OF FINDINGS FOR TRANSMITTAL BOFT. UNGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COTTON, CREDIT, CONTRACTS, NEGOTIATIONS, PROGRESS REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 DEC 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974TAIPEI07534  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Reference:** 74 TAIPEI 7376  
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**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 AUG 2002  
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30 JUN 2005

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COTTON CONTRACT PROBLEM PROGRESS REPORT PASS WILLIAMS FAS/USDA  
**TAGS:** ETRD, TW, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005